

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

RED BARN MOTORS, INC., PLATINUM)
MOTORS, INC., and MATTINGLY AUTO)
SALES, INC., individually and on behalf of)
other members of the general public similarly)
situated,)

Plaintiffs,)

v.)

NEXTGEAR CAPITAL, INC. f/k/a DEALER)
SERVICES CORPORATION,)

Defendant.)

Case No. 1:14-cv-01589-TWP-DLP

DECLARATION OF ERIC CHEVALIER

1. I am over twenty-one years of age, of sound mind, and competent to make this declaration. This Declaration is based on my own personal knowledge.

2. I currently serve as a Performance Manager One for Defendant NextGear Capital, Inc. (“NextGear”) and have held that or a similar position for six years. I held a similar position in 2013 and earlier when NextGear was known as “Dealer Services Corporation” or “DSC.” In those roles, I have been responsible for signing up new dealer borrowers, monitoring their floor plan performance, and responding to their questions and concerns about their floor plan.

3. I have been the account representative for many dealers that signed with DSC before August 2013, who I understand would be class members in this case. Some of those dealers continue with us now under a newer NextGear contract; some do not.

4. In 2013 and earlier, I met with dealers at our local branch and in the field, and there were sometimes questions from dealers regarding when interest would begin to accrue on their floor planned units. Most of those questions came up after contracting, but they came up sometimes in our contract closing discussions as well.

5. When it came up, I would try to keep it simple and just say that interest accrues from the purchase date on auction purchases, regardless of when title comes in and regardless of when we pay the auction behind the scenes.

6. I did not keep records on the content of such conversations, but I am confident that it came up 5-10 times per year before August 2013.

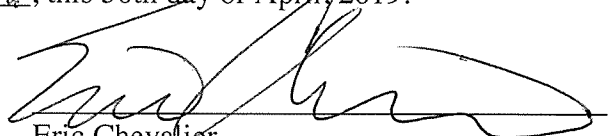
7. Based on other general discussions I had with dealers, auctions, and colleagues, and my experience in the industry, many of our dealers understood that interest began to run from the auction date regardless of when DSC paid the auction, whether I specifically discussed it with them or not. I believe it is the industry standard for floor planners.

8. I am not aware of any dealers I worked with canceling their line of credit with DSC in response to such a conversation about interest, and most continued to borrow from us thereafter.

9. I specifically recall clarifying the interest timing issue for Golden Oldies (account number 18242) and Car Collection (account number 26146). Both dealers continued to borrow from DSC, but after our conversation they also financed some cars with our competitors instead, who presumably offered different terms.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and accurate to the best of my knowledge.

Executed at Bradenton, Florida, this 30th day of April, 2019.


Eric Chevalier